

5/18/2011

CONFIDENTIAL
Mobi PCS Mail - Deloitte Report

ATTACHMENT 20



Peter Gose <peter.gose@mobipcs.com>

Deloitte Report

1 message

Smith, Krista McClintock (US - McLean) <kmcclintock@deloitte.com>

Wed, Feb 24, 2010 at 10:30 AM

To: Peter Gose <peter.gose@mobipcs.com>

Peter –

Thanks for your message. You are correct. The Report needs to reference §54.307 (a) and (c) and not §36.611, as Coral is a CETC, rather than an ILEC. I will make that revision and sent you a revised document.

Regards,

Krista

Krista M. Smith

Assurance and Enterprise Risk Services
Deloitte & Touche LLP

Tel: +1 703 251 1340
Fax: +1 703 332 7977
Mobile: +1 973 978 8109
kmcclintock@deloitte.com
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Mobi PCS Mail - Deloitte Report

ATTACHMENT 20

5/20/2011

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Mobi PCS Mail - Document in HC-2008...

ATTACHMENT 21



Peter Gose <peter.gose@mobipcs.com>

Document in HC-2008-BE-126_Coral_Opinion1 (2)

1 message

Smith, Krista McClintock (US - McLean) <kmcclintock@deloitte.com>
To: Peter Gose <peter.gose@mobipcs.com>

Mon, Mar 1, 2010 at 11:10 AM

Peter –

Attached is the revised opinion and comment letter.

Regards,
Krista

Krista M. Smith

Assurance and Enterprise Risk Services
Deloitte & Touche LLP

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Fax: +1 703 332 7977
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ATTACHMENT 21

***Universal Service
Administrative Company
High Cost Support
Mechanism***

*Independent Accountants' Report on Compliance
Relating to High Cost Support Received by Coral
Wireless LLC d/b/a Mobi PCS (HC-2008-126) for the
Year Ended June 30, 2008*

INDEPENDENT ACCOUNTANTS' REPORT

Universal Service Administrative Company
Federal Communications Commission

We have examined the compliance of Coral Wireless LLC d/b/a Mobi PCS (Beneficiary), relative to Study Area Code No. 629002, with 47 C.F.R. Part 54, Subparts C and D of the Federal Communications Commission's ("FCC") Rules and related Orders governing Universal Service Support for the High Cost Program ("HCP") relative to disbursements of \$14,971,972 for telecommunication services made from the Universal Service Fund during the year ended June 30, 2008. Management of the Beneficiary is responsible for the Beneficiary's compliance with those requirements. Our responsibility is to express an opinion on management's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the Beneficiary's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Beneficiary's compliance with specified

[REDACTED]

The line count was used in the calculation of the Beneficiary's Universal Service Support, which totaled \$14,971,972 for the year ended June 30, 2008.

In our opinion, because of the effect of noncompliance discussed in the preceeding paragraph, the

[REDACTED]

This report is intended solely for the information and use of the Universal Service Administrative Company and the Federal Communications Commission, and is not intended to be and should not be used by anyone other than these specified parties.

INSERT DATE

cc: Management of the Beneficiary

ATTACHMENT:
FINDING

Detailed Information Relative to Material Noncompliance (Finding)

Finding No.	HC2008BE126_F01
Condition	[REDACTED]
Criteria	<p>Federal Communications Commission (FCC) Rule §54.307(a) provides that a competitive eligible telecommunications carrier may receive universal service support to the extent that the competitive eligible telecommunications carrier captures the subscriber lines of an incumbent local exchange carrier (LEC) or serves new subscriber lines in the incumbent LEC's service area.</p> <p>Under FCC Rule §54.307(b), in order to receive support, a competitive eligible telecommunications carrier must report to the Administrator the number of working loops it serves in a service area pursuant to the schedule set forth in paragraph (c) of this section.</p> <p>In accordance with FCC Rule §54.307(c), a competitive eligible telecommunications carrier must submit the data required pursuant to paragraph (b) of this section according to the schedule.</p> <ol style="list-style-type: none">(1) No later than July 31st of each year, submit data as of December 31st of the previous calendar year;(2) No later than September 30th of each year, submit data as of March 31st of the existing calendar year;(3) No later than December 30th of each year, submit data as of June 30th of the existing calendar year;(4) No later than March 30th of each year, submit data as of September 30th of the previous calendar year.
Effect	[REDACTED]
Cause	[REDACTED]
Monetary Impact on Support	[REDACTED]
Recommendation	[REDACTED]
Management Response	[Open for Management's Response]

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Mobi PCS Mail - RE: Document in HC-2...

ATTACHMENT 22



Peter Gose <peter.gose@mobipcs.com>

RE: Document in HC-2008-BE-126_Coral_Opinion1 (2)

1 message

Smith, Krista McClintock (US - McLean) <kmcclintock@deloitte.com>

Thu, Mar 4, 2010 at 1:33 PM

To: Peter Gose <peter.gose@mobipcs.com>

Peter –

We are in the process of having WGA (the QA firm for Coral) review your response. I will let you know the outcome as soon as I know something.

Assuming that WGA agrees, [REDACTED] If that is the case, what is management's position on signing the rep letter?

Krista

From: Peter Gose [mailto:peter.gose@mobipcs.com]
Sent: Tuesday, March 02, 2010 3:25 PM
To: Smith, Krista McClintock (US - McLean)
Subject: Re: Document in HC-2008-BE-126_Coral_Opinion1 (2)

Krista,

Please see the draft response of Coral Wireless to the Deloitte audit report.

Coral strongly objects to the finding in the audit report and would request one last teleconference to discuss our response and position before we send our final response and management representation letter to you for inclusion along with the audit report. Our aim for the conference call is to describe one last time why we believe it would be appropriate for Deloitte to withdraw the single finding. Coral will have its outside counsel available on that call to answer any legal questions that Deloitte might have.

Please let me know when we can arrange the teleconference requested above. Thank you Krista.

5/18/2011

Mobi PCS Mail - RE: Document in HC-2...

ATTACHMENT 22

Peter Gose
Director - Regulatory Affairs



Pacific Guardian Center - Makai Tower
733 Bishop St. Suite 1200
Honolulu, HI 96813
Direct Line 808.723.2072
Direct Fax 808.723.2172
peter.gose@mobipcs.com

— @ [WiseStamp Signature](#). [Get it now](#)

On Mon, Mar 1, 2010 at 11:10 AM, Smith, Krista McClintock (US - McLean) <kmcclintock@deloitte.com> wrote:

Peter –

Attached is the revised opinion and comment letter.

Regards,
Krista

Krista M. Smith

Assurance and Enterprise Risk Services
Deloitte & Touche LLP

Tel: [+1 703 251 1340](tel:+17032511340)
Fax: [+1 703 332 7977](tel:+17033327977)
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Mobi PCS Mail - RE: Document in HC-2...

ATTACHMENT 23



Peter Gose <peter.gose@mobipcs.com>

RE: Document in HC-2008-BE-126_Coral_Opinion1 (2)

1 message

Smith, Krista McClintock (US - McLean) <kmccclintock@deloitte.com>

Thu, Mar 4, 2010 at 3:58 PM

To: Peter Gose <peter.gose@mobipcs.com>, "Daubert, Todd" <TDaubert@kelleydrye.com>

I do understand that.

From: Peter Gose [mailto:peter.gose@mobipcs.com]
Sent: Thursday, March 04, 2010 4:45 PM
To: Smith, Krista McClintock (US - McLean); Daubert, Todd
Subject: Re: Document in HC-2008-BE-126_Coral_Opinion1 (2)

Krista,

By the same token, Coral cannot provide a representation that states it has filed inaccurate reports when we believe we have comported with the law. Let's discuss this tomorrow during our call.

Peter Gose
Director - Regulatory Affairs



Pacific Guardian Center - Makai Tower
733 Bishop St. Suite 1200
Honolulu, HI 96813
Direct Line 808.723.2072
Direct Fax 808.723.2172
peter.gose@mobipcs.com

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On Thu, Mar 4, 2010 at 3:17 PM, Smith, Krista McClintock (US - McLean) <kmccclintock@deloitte.com> wrote:

I can't accept the revised wording of the rep letter. If we can't come to an acceptable resolution on the finding and/or rep letter language, [REDACTED]

From: Peter Gose [mailto:peter.gose@mobipcs.com]
Sent: Thursday, March 04, 2010 4:12 PM
To: Smith, Krista McClintock (US - McLean); Daubert, Todd

Subject: Re: Document in HC-2008-BE-126_Coral_Opinion1 (2)

Krista,

Yes, please propose a time for a teleconference tomorrow. I am only available until 1:00 p.m. eastern. As previously noted, we would request that Jarret Rea from WGA participate in that call. I will transmit the management rep letter to you during the call.

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On Thu, Mar 4, 2010 at 3:02 PM, Smith, Krista McClintock (US - McLean) <kmccclintock@deloitte.com> wrote:

WGA does not believe there is a clear answer. The FCC will ultimately have to rule. We are proceeding with the [REDACTED]. USAC wants this filed tomorrow. I am happy to have a call with your legal counsel, but it won't change things at this point. What do you want to do?

From: Peter Gose [mailto:peter.gose@mobipcs.com]

Sent: Thursday, March 04, 2010 2:40 PM

To: Smith, Krista McClintock (US - McLean)

Subject: Re: Document in HC-2008-BE-126_Coral_Opinion1 (2)

Management has sign a rep letter, but in it has noted that it disagrees with the final point on the finding. Letter will be provided immediately after the requested teleconference has taken place.

Presuming WGA does not agree with Deloitte's position, how will you treat the audit report?

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On Thu, Mar 4, 2010 at 1:33 PM, Smith, Krista McClintock (US - McLean) <kmccclintock@deloitte.com> wrote:

Peter –

We are in the process of having WGA (the QA firm for Coral) review your response. I will let you know the outcome as soon as I know something.

5/19/2011

Mobi PCS Mail - RE: Document in HC-2...

ATTACHMENT 23

Assuming that WGA agrees, [REDACTED] If that is the case, what is management's position on signing the rep letter?

Krista

From: Peter Gose [mailto:peter.gose@mobipcs.com]

Sent: Tuesday, March 02, 2010 3:25 PM

To: Smith, Krista McClintock (US - McLean)

Subject: Re: Document in HC-2008-BE-126_Coral_Opinion1 (2)

Krista,

Please see the draft response of Coral Wireless to the Deloitte audit report.

Coral strongly objects to the finding in the audit report and would request one last teleconference to discuss our response and position before we send our final response and management representation letter to you for inclusion along with the audit report. Our aim for the conference call is to describe one last time why we believe it would be appropriate for Deloitte to withdraw the single finding. Coral will have its outside counsel available on that call to answer any legal questions that Deloitte might have.

Please let me know when we can arrange the teleconference requested above. Thank you Krista.

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On Mon, Mar 1, 2010 at 11:10 AM, Smith, Krista McClintock (US - McLean) <kmccclintock@deloitte.com> wrote:

Peter –

Attached is the revised opinion and comment letter.

Regards,
Krista

Krista M. Smith

<https://mail.google.com/mail/?ui=2&ik...>

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5/19/2011

Mobi PCS Mail - RE: Document in HC-2...

ATTACHMENT 23

Assurance and Enterprise Risk Services
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~~February~~ March 544, 2010

Deloitte & Touche LLP
1750 Tysons Boulevard
McLean, Virginia 22102

We are providing this letter in connection with your examination of the compliance of Coral Wireless LLC d/b/a Mobile PCS (the "Beneficiary") regarding the Beneficiary's compliance, relative to Study Area Code No. 629002, with 47 C.F.R. Part 54, Subparts C and D of the Federal Communications Commission's ("FCC") Rules and related Orders ("Rules and Orders") governing Universal Service Support for the High Cost Program relative to disbursements of \$14,971,972 for telecommunication services made from the Universal Service Fund during the year ended June 30, 2008. Accordingly, we confirm the following:

- a. Management is responsible for complying, relative to Study Area Code No. 629002, with the FCC Rules and Orders governing Universal Service Support for the High Cost Program ("HCP").
- b. The Beneficiary is responsible for establishing and maintaining effective internal control over compliance with the FCC Rules and Orders.
- c. Management has performed an evaluation of the Beneficiary's compliance, relative to Study Area Code No. 629002, with the FCC Rules and Orders for the year ended June 30, 2008, and the Beneficiary ~~has~~ believes that it has complied with the FCC Rules and Orders for the year ended June 30, 2008, [REDACTED]

We confirm to the best of our knowledge and belief, the following representations made to you during your engagement:

1. [REDACTED]
2. We have made available all records and documentation related to compliance with the FCC Rules and Orders.
3. We have disclosed all communications from regulatory agencies, internal auditors, and others concerning possible noncompliance with the FCC Rules and Orders, including communications received subsequent to June 30, 2008.
4. We have no knowledge of any fraud or suspected fraud affecting the Beneficiary involving (1) management, (2) employees who have significant roles in internal control over compliance, or (3) others where the fraud could have a material effect on compliance with the FCC Rules and Orders.
5. There were no allegations of fraud or suspected fraud affecting the Beneficiary received in communications from employees, former employees, analysts, regulators, short sellers, or others that could have a material effect on compliance with the FCC Rules and Orders.
6. No instances of noncompliance with the FCC Rules and Orders occurred subsequent to June 30, 2008 and through the date of this letter.

7. We used all of the \$14,971,972 in federal high cost support provided to the Beneficiary for the year ended June 30, 2008 solely for the provision, maintenance and upgrading of facilities and services for which support is intended.

8. The Beneficiary- interprets the term "Working Loop" to include any line from the moment the Beneficiary connects the line by assigning a particular telephone number to a specific customer until the Beneficiary disconnects the line and returns that telephone number to available inventory for assignment to a new customer. Coral determines the date upon which a customer's line will be disconnected pursuant to its disconnection policy.

[REDACTED]

[REDACTED]

[REDACTED]

The line count was used in the calculation of the Beneficiary's Universal Service Support, which totaled \$14,971,972 for the year ended June 30, 2008.

Barry Rinaldo
Chief Financial Officer
On Behalf of Coral Wireless LLC

5/19/2011

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Mobi PCS Mail - RE: Document in HC-2...

ATTACHMENT 25



Peter Gose <peter.gose@mobipcs.com>

RE: Document in HC-2008-BE-126_Coral_Opinion1 (2)

1 message

Daubert, Todd <TDaubert@kelleydrye.com>

Thu, Mar 4, 2010 at 3:28 PM

To: "Smith, Krista McClintock (US - McLean)" <kmclintock@deloitte.com>, Peter Gose <peter.gose@mobipcs.com>

I would like to discuss that further. I do not understand how your professional standards permit you to write a finding based on a legal interpretation for which you cannot cite any support and the WGA says that there "is no clear answer" without even noting that in your report. Indeed, the term "inactive" that you use in the report is not even found in any of the relevant FCC rules.

Todd Daubert | Kelley Drye & Warren LLP
Washington Harbour, Suite 400
3050 K Street, NW, Washington, D.C. 20007-5108
Office: 202.342.8602 | Mobile: 202.436.1819
tdaubert@kelleydrye.com
www.kelleydrye.com

-----Original Message-----

From: Smith, Krista McClintock (US - McLean) [mailto:kmclintock@deloitte.com]

Sent: Thursday, March 04, 2010 4:25 PM

To: Daubert, Todd; 'Peter Gose'

Subject: RE: Document in HC-2008-BE-126_Coral_Opinion1 (2)

We can discuss further on our call tomorrow, however, we would opine based on our interpretation of the [REDACTED]
[REDACTED] In accordance with the professional standards, we would not respond to Coral's opinion in our report.

However, the following language would be included after management's response in the finding section –

**Deloitte's Response to
Management's
Response**



From: Daubert, Todd [mailto:TDaubert@KelleyDrye.com]

Sent: Thursday, March 04, 2010 4:19 PM

To: 'Peter Gose'; Smith, Krista McClintock (US - McLean)

Subject: RE: Document in HC-2008-BE-126_Coral_Opinion1 (2)

Ms. Smith,

In light of WGA's opinion that there is "no clear answer," do you intend to note this in your report? Do you intend to respond to Coral's opinion in your report?

Thank you,

Todd Daubert

<https://mail.google.com/mail/?ui=2&ik...>

1/4

Todd Daubert | Kelley Drye & Warren LLP
Washington Harbour, Suite 400
3050 K Street, NW, Washington, D.C. 20007-5108
Office: [202 342.8602](tel:202-342-8602) | Mobile: [202.436.1819](tel:202-436-1819)
tdaubert@kelleydrye.com
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Peter Gose
Director - Regulatory Affairs



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Subject: Re: Document in HC-2008-BE-126_Coral_Opinion1 (2)

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[REDACTED]
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Peter –

Attached is the revised opinion and comment letter

Regards,
Krista

Krista M. Smith

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Mobi PCS Mail - Document in HC-2008...

ATTACHMENT 26



Peter Gose <peter.gose@mobipcs.com>

Document in HC-2008-BE-126_Coral_Opinion1 (2)

1 message

Smith, Krista McClintock (US - McLean) <kmccclintock@deloitte.com>

Fri, Mar 5, 2010 at 5:13 PM

To: Peter Gose <peter.gose@mobipcs.com>

Peter –

We discussed Coral's situation internally and again with WGA. We are prepared [REDACTED] due to the ambiguity of the situation. We are working on the language, but attached is the latest draft of our report and the finding.

I am hoping to send the rep letter draft later tonight or over the weekend.

Hopefully we can bring this to resolution. Thanks for your patience.

Regards,

Krista

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ATTACHMENT 26

***Universal Service
Administrative Company
High Cost Support
Mechanism***

*Independent Accountants' Report on Compliance
Relating to High Cost Support Received by Coral
Wireless LLC d/b/a Mobi PCS (HC-2008-126) for the
Year Ended June 30, 2008*

INDEPENDENT ACCOUNTANTS' REPORT

Universal Service Administrative Company
Federal Communications Commission

~~We were engaged to examine~~ have examined the compliance of Coral Wireless LLC d/b/a Mobi PCS (Beneficiary), relative to Study Area Code No. 629002, with 47 C.F.R. Part 54, Subparts C and D of the Federal Communications Commission's ("FCC") Rules and related Orders governing Universal Service Support for the High Cost Program ("HCP") relative to disbursements of \$14,971,972 for telecommunication services made from the Universal Service Fund during the year ended June 30, 2008. Management of the Beneficiary is responsible for the Beneficiary's compliance with those requirements. Our responsibility is to express an opinion on management's compliance based on our examination.

~~Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the Beneficiary's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Beneficiary's compliance with specified~~

As discussed in Finding HC2008BE126_F01, the Beneficiary ~~interprets the term "Working Loop" to include any line from the moment the Beneficiary connects the line by assigning a particular telephone number to a specific customer until the Beneficiary disconnects the line and returns that telephone number to available inventory for assignment to a new customer.~~ The Beneficiary has the right to place various limits upon the service in the 60 to 90 days preceding the

~~Line counts are used in the calculation of the Beneficiary's Universal Service Support, which totaled \$14,971,972 for the year ended June 30, 2008. We were unable to satisfy ourselves concerning the acceptability of the inclusion of lines 60 to 90 days preceding their disconnect date by means of other examination procedures.~~

~~overstated the number of lines reported as of September 30, 2006 on its March 31, 2007 filing, by 51 lines~~

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~~Because of the limitations in the scope of our examination as discussed in the preceding paragraphs, the scope of our work was not sufficient to enable us to express, and~~

~~In our opinion, because of the effect of noncompliance discussed in the preceding paragraph, the Beneficiary did not comply, relative to Study Area Code No. 629002, with 47 C.F.R. Part 54, Subparts C and D of the Federal Communications Commission's ("FCC") Rules and related Orders governing~~